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OF 65-3622
11015 655378

18 OCT 1985

OGC HAS REVIEWED

MEMORANDUM FOR: Mr. Lawrence Houston, General Counsel
THROUGH : Deputy Director for Support
SUBJECT : Vehicle Purchase Limitations

1. The question has arisen whether or not the monetary limitations of Public Law 86-642, applicable to the purchase of automobiles, applies to this Agency in purchasing automobiles for administrative use. For clarity "administrative use" is that use the Congress intended in creating the statute, and is not confused with the use of automobiles purchased for operational reasons.

2. The question is asked in light of the purchase by this Agency of a Chrysler Imperial Crown Sedan at a cost of \$4,582. It is my understanding this vehicle is to be used by and/or for a senior official of this Agency as a "personal" vehicle.

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4. The U. S. Code, Title 5, Section 78 recognizes congressional approval may be specifically provided otherwise to purchase motor vehicles and as such would be exempt from the limitations of this act. This section also exempts from the limitations of Section 78, motor vehicles for official use of the heads of executive departments (along with others) identified in Section 1 of this title. You will see in Attachment #8, Comptroller General Decision B-113228 attached, an additional reason for my concern for lack of appropriate authorization for this vehicle, when a somewhat similar situation had developed in the Department of Justice.

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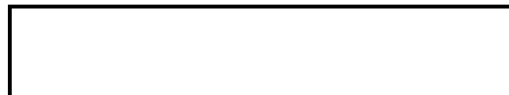
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SUBJECT: Vehicle Purchase Limitations

Your attention is referred particularly to that part of the decision on page 346, Volume 32 which states "There is nothing in such section which would permit purchase of such automobiles from departmental appropriations without regard to the maximum price, whether the vehicle is purchased under a specific appropriation authorization therefor which provides no ceiling"..... This interpretation appears to me to perhaps apply to CIA appropriations where the authority to purchase is obvious, but where there is also no ceiling and therefore, except for operational purposes, purchases are subject to the ceiling imposed by section 1401 of the act of July 15, 1952 66 Stat. 659, 5 U.S.C. 78(c) in the absence of specific authorization or appropriation item therefor.

5. I have discussed this matter with lawyers of your office and other senior officials several times, and have not been entirely satisfied as to the propriety of the action taken. Consequently, I am requesting your opinion as to and the authority for the legality of this particular purchase and as it may be applied to future like transactions. For your further information, payment to GSA has been withheld pending identification of the authority for payment.

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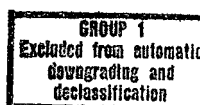


/ R. H. FUCHS
Director of Finance

Attachments:

1. Copy of Public Law 86-642, Section 201
2. Copy of Purchase Order # 65-17571
3. Copy of GSA Form 789
4. Copy of Order-Award-Invoice-Voucher
5. Copy of Order-Award-Invoice-Voucher (Amendment)
6. Copy of Receiving Report
7. Copy of Receiving Report (Amendment)
8. Copy of Comptroller General Decision B-113228

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